CONTACT WE CARE, INC. D/B/A CARING CONTACT
Financial Statements

For the year ended December 31, 2022

(With Independent Accountant's Review Report Thereon)

CONTACT WE CARE, INC. D/B/A CARING CONTACT
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December 31, 2022

HFA
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Contact We Care, Inc. D/B/A Caring Contact

We have reviewed the accompanying financial statements of Contact We Care, Inc. D/B/A Caring Contact (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Contact We Care, Inc. D/B/A Caring Contact and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Holman Frenia Allison, P.C.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

April 17, 2023

Lakewood, New Jersey

CONTACT WE CARE, INC. D/B/A CARING CONTACT
Statement of Financial Position
December 31, 2022

ASSETS		
Current assets:		
Cash and cash equivalents	$	572,272
Investments		139,859
Accounts receivable		930
Prepaid expenses		8,765
Total current assets		721,826
Property and equipment, net		2,143
Right-of-use lease assets, net of amortization		95,721
Investments - long term		47,442
Deposits		1,000
Total assets	$	868,132
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued expenses		9,500
Current portion of lease liability		19,908
Total current liabilities		29,408
Non-Current liabilities:		
Lease liability, net of current portion		75,813
Total non-current liabilities		75,813
Total Liabilities		105,221
Net assets:		
Without donor restrictions		654,469
With donor restrictions		108,442
Total net assets		762,911
Total liabilities and net assets	$	868,132

The accompanying notes to the financial statements are an integral part of this statement.

CONTACT WE CARE, INC. D/B/A CARING CONTACT
Statement of Activities
For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Program fees	$ 14,347	$ -	$ 14,347
Contributions	546,938	52,099	599,037
Net assets released from restrictions	132,508	(132,508)	-
Total revenue and other support	693,793	(80,409)	613,384
Expenses:			
Program services	410,706	-	410,706
Management and general services	36,526	-	36,526
Fundraising	28,172	-	28,172
Total expenses	475,404	-	475,404
Change in net assets from operations	218,389	(80,409)	137,980
Non-operating income			
Investment return, net of related expenses	(45,248)	-	(45,248)
Total non-operating income	(45,248)	-	(45,248)
Change in net assets	173,141	(80,409)	92,732
Net assets, January 1	481,328	188,851	670,179
Net assets, December 31	$ 654,469	$ 108,442	$ 762,911

The accompanying notes to the financial statements are an integral part of this statement.

CONTACT WE CARE, INC. D/B/A CARING CONTACT
Statement of Functional Expenses
For the year ended December 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Program Services	Management and General	Fundraising	Total
Payroll and payroll taxes	$ 245,608	$ 13,646	$ 13,646	$ 272,900
Program expense	46,542	-	-	46,542
Telecommunications	26,396	1,553	3,105	31,054
Rent	16,922	1,991	995	19,908
Equipment rental and repairs	17,043	945	945	18,933
Professional fees	3,004	13,803	344	17,151
Insurance	10,982	1,289	646	12,917
Contract labor	10,238	1,280	1,280	12,798
Travel and conferences	10,698	-	-	10,698
Advertising	10,421	-	-	10,421
Miscellaneous	7,225	1,276	-	8,501
Fundraising expense	-	-	6,898	6,898
Office supplies	2,880	338	169	3,387
Depreciation	1,511	179	89	1,779
Dues and membership	847	212	-	1,059
Postage	389	14	55	458
	$ 410,706	$ 36,526	$ 28,172	$ 475,404
Comparative totals for the year ended December 31, 2021	$ 327,226	$ 30,852	$ 32,878	$ 390,956

The accompanying notes to the financial statements are an integral part of this statement.

CONTACT WE CARE, INC. D/B/A CARING CONTACT
Statement of Cash Flows
For the year ended December 31, 2022

Cash flows from operating activities		
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in net assets	$	92,732
Depreciation		1,778
Amortization of right-of-use lease asset		18,271
Accretion of discounted lease liabilities		1,637
Realized gain on investments		(2,525)
Unrealized gain on investments		54,135
Changes in operating assets and liabilities:		
Prepaid expenses		(2,323)
Accounts payable and accrued expenses		3,500
Lease liability		(19,908)
Net cash flows from operating activities		147,297
Cash flows from investing activities		
Purchase of investments		(25,294)
Proceeds from sale of investments		829
Net cash flows from investing activities		(24,465)
Net change in cash and cash equivalents		122,832
Cash and cash equivalents, beginning of year		449,440
Cash and cash equivalents, end of year	$	572,272
Supplemental Disclosure of Non-Cash Information:		
Right of use assets obtained in exchange for lease liabilities	$	113,992

The accompanying notes to the financial statements are an integral part of this statement.

NOTE 1: ORGANIZATION AND PURPOSE

Contact We Care, Inc. D/B/A Caring Contact (the "Organization") was founded in 1975. The Organization changed its name to "Caring Contact – A Listening Community" in 2015. The Organization is devoted to promoting emotional wellbeing and preventing emotional crises by providing opportunities for people to express themselves to compassionate listeners in safe environments. The Organization also provides mental health and suicide education training opportunities to volunteers.

The Organization has an office in Westfield, NJ for program and administrative activities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor imposed (or certain grantor imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions.

Investments

Investments of the Organization are reported at fair market value. Investment earnings on the statements of activities include interest, dividends and gains and losses on the sale of assets. Change in market value of assets held is reported as unrealized gains and losses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. Fair values for these instruments are estimated using pricing models or quoted prices of securities with similar characteristics.

Level II – Inputs that include quoted market prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially full term of the financial instrument.

Level II – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised values.

Subsequent to initial recognition, the Organization may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Pooled Funds: These are comprised of investments in registered investment companies and corporate bonds. Registered investment companies consist of shares of mutual funds that are valued at quoted market prices which represent the net asset value ("NAV") of shares held at year-end. Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities.

Registered Investment Companies: Investments in registered investment companies consist of shares of mutual funds that are valued at quoted market prices which represent the NAV of shares held by the Organization at year-end.

Prepaid Expenses

Prepaid expenses are amounts paid in the current year which benefit future periods.

Property and Equipment

The Organization capitalizes property and equipment over $1,000. Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful life for furniture and equipment is 7 years.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment (continued)

When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the change in net assets. Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred.

Right-of-Use Asset & Lease Liability

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Valuation of Long-Lived Assets

The Organization accounts for the valuation of long-lived assets in accordance with ASC 360, *Property, Plant and Equipment*. ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed are reportable at the lower of the carrying amount or fair value, less costs to sell. The Organization had no assets held for disposal as of December 31, 2022.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2022 totaled $10,421.

Revenue Recognition

Program Fees

In accordance with ASC 606, *Revenue from Contracts with Customers*, revenue is recognized when a customer obtains control of promised goods or services (performance obligation) in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services (transaction price). The Organization's exchange revenue is primarily derived from the program related revenues, which consist of community and volunteer listener training fees.

Training fees are recorded as contract liabilities when received and are recognized when the volunteer listener training class is held. The transaction price is a fixed amount set by the Organization, and revenue is recognized at the time the volunteer listener training classes are held, as that is when the performance obligation is satisfied.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributions and Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. For contributions with conditions not yet met, a contract liability is recorded. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-310, *Not-for-Profit Entities: Receivables*, pledges due in in one year are recorded at their net realizable value. Pledges due in one or more years are reflected as long-term promises to give and are discounted to their net present value using risk-free interest rates applicable to the years in which the promises are received. The Organization uses the allowance method to determine the reserve for uncollectible pledges receivable. The allowance is based on historical experience and management's analysis of specific promises made.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that have been allocated were allocated based on employee time and effort spent in each program or department. All other expenses are direct program costs.

Income Taxes

The Organization is a non-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes.

The Organization is required to file Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service and the *New Jersey Charities Registration & Investigation Form (CRI)*. The Organization follows the income tax standard for uncertain tax positions. This standard had no impact on the Organization's financial statements. The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

Donated Services

Unpaid volunteers have donated significant amounts of time to assist in the Organization's programs. However, no amounts have been included in the financial statements for volunteer services as they are not susceptible to objective measurement or valuation.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued Accounting Pronouncements Adopted in the Current Year

In the current year, the Organization adopted ASU 2016-02, *Leases (Topic 842)*, and subsequent amendments thereto, which requires the Organization to recognize most leases on the statement of financial position. The Organization adopted the standard under a modified retrospective approach as of the date of adoption and elected to apply several of the available practical expedients, including

a. Carry over of historical lease determination and lease classification conclusions
b. Carry over of historical initial direct cost balances for existing leases
c. Accounting for lease and non-lease components in contracts in which the Organization is a lessee as a single lease component

Adoption of the leasing standard resulted in the recognition of right-of-use assets of $113,992 and operating lease liabilities of $113,992 as of January 1, 2022. These amounts were determined based on the present value of remaining lease payments, discounted using the U.S. Treasury risk-free rate (1.55%) as of the date of adoption. There was no material impact to the timing of expense or income recognition in the Organization's statement of activities. Prior periods were not restated and continue to be presented under legacy GAAP. Disclosures regarding the Organization's leasing activities are presented in Note 7.

Subsequent Events

The Organization has evaluated subsequent events occurring after December 31, 2022 through the date of April 17, 2023, which is the date the financial statements were available to be issued.

NOTE 3: CASH AND CASH EQUIVALENTS

The deposits held by the Organization and reported at fair value, consisted of demand deposits totaling $572,272 as of December 31, 2022.

A. Custodial Credit Risk

Deposits in financial institutions, reported as components of cash and cash equivalents had a bank balance of $562,970 as of December 31, 2022, of which $440,819 was fully insured by depository insurance.

B. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. At December 31, 2022, the Organizations' cash and cash equivalents were held by Northfield Bank, Columbia Bank, and Spencer Savings Bank.

NOTE 4: INVESTMENTS

Investments consisted of the following as of December 31, 2022:

	Investments at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 91,046	$ -	$ -	$ 91,046
Pooled funds in Westfield Foundation	$ 96,255			96,255
Total	$ 187,301	$ -	$ -	$ 187,301

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2022:

Furniture and equipment	$ 22,613
Less: accumulated depreciation	(20,470)
Property and equipment, net	$ 2,143

Depreciation expense for the year ended December 31, 2022 totaled $1,778.

NOTE 6: LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of December 31, 2022, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or designations:

Current financial assets:	
Cash and cash equivalents	$ 572,272
Investments	139,859
Accounts receivable	930
Total current financial assets	713,061
Less amounts not available to be used within one year:	
Net assets with donor restrictions for purpose	(61,000)
Financial assets available to meet general expenditures over the next twelve months	$ 652,061

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a goal to maintain financial assets on hand to meet 365 days of normal operating expenses, which are, on average, approximately $472,000.

NOTE 7: LEASES

The Organization enters into leases in the normal course of business primarily for office space. The Organization holds one operating lease with a remaining term of 5 years. The Organization's lease does not include residual value guarantees or covenants.

The Organization includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Organization will exercise the option. Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. The Organization uses the U. S. Treasury risk-free rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known.

Right-of-use assets and lease liabilities by lease type, and the associated statement of financial position classifications, are as follows:

	Statement of Financial Position Classification		December 31, 2022
Right-of-use assets:			
Operating leases	Right-of-use lease assets, net of amortization	$	95,721
Total right-of-use assets		$	95,721
Lease Liabilities:			
Operating leases	Current portion of lease liability	$	19,908
Operating leases	Lease liability, net of current portion		75,813
Total lease liabilities		$	95,721

The weighted average remaining lease term and the weighted average discount rate as of December 31, 2022 is 5 years and 1.55%, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2022 are as follows:

Year Ending December 31:		
2023	$	19,908
2024		19,908
2025		19,908
2026		19,908
2027		19,908
Total lease payments		99,540
Less: imputed interest		(3,819)
Present value of lease liabilities		$95,721

NOTE 7: LEASES (continued)

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2022:

Lease Cost	Statement of Activity Classification		12/31/22
Operating	Management and General	$	19,908

The following summarizes cash flow information related to leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	19,908
Right of use assets obtained in exchange for lease liabilities:		
Operating leases	$	113,992

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2022:

Programs	$	61,000
Donor-restricted endowment funds		50,000
Interest generated from endowment funds available for programs		(2,558)
Total net assets with donor restrictions	$	108,442

Net assets released from donor restrictions by incurring expenses or satisfying the purpose or time restrictions specified by the donors totaled $132,508 for the year ended December 31, 2022.

NOTE 9: ENDOWMENT FUNDS

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of any restrictions. The endowment includes funds restricted by donors.

Management of the Organization has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The income of the donor restricted endowment fund is classified as with donor restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by state law. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform State Prudent Management of Institutional Funds Act (UPMIFA) requires the organization to retain as a fund of perpetual duration. Deficiencies of this nature exist in one donor-restricted endowment fund, which has an original gift value of $50,000, a current fair value of $47,442, and a deficiency of $2,558 as of December 31, 2022. These deficiencies resulted from unfavorable marked fluctuations.

NOTE 9: ENDOWMENT FUNDS (continued)

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purpose of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

The Board of Directors' primary objective, in this regard, is to add value and minimize risk in managing the assets of the fund while providing a hedge against inflation into the future. It is the intent of the Board of Directors to grow the endowment and utilize the total return (income plus capital change) to further the purpose of the endowment. In recognition of the prudence required of fiduciaries, reasonable diversification of quality investment securities will be sought where possible, knowing that fluctuating rates of return are a characteristic of the investment market and performance cycles cannot be accurately predicted.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods, as well as funds designated by the Board of Directors.

Strategies Employed for Achieving Objectives

To satisfy its long-term, rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has an investment objective to provide sufficient liquidity to meet operating, distribution, and spending requirements.

As of December 31, 2022, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2021	$ -	$ 56,343	$ 56,343
Withdrawal of investments	-	-	-
Investment return, net	-	(8,901)	(8,901)
Endowment net assets, December 31, 2022	$ -	$ 47,442	$ 47,442